



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Chief Administrative Officer
County Counsel
Director of Health Services
Director of Internal Services

At its meeting held June 27, 2006, the Board took the following action:

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Supervisor Yaroslavsky made the following statement:

“On October 2, 2001, the Board of Supervisors instructed the Chief Administrative Office, with the assistance of County Counsel, the Internal Services Department (ISD) and other relevant departments, to draft a policy on Cost of Living Adjustments (COLAs) in Proposition A contracts, with specific attention to those contracts in which the Living Wage Ordinance (LWO), or an exemption to the LWO, is invoked.

“On January 29, 2002, the Board approved a COLA policy for multi-year service contracts to provide greater consistency in the County's use of contract COLAs. The policy limits contract COLAs to the average wage increase received by County employees. However, the revised policy does not require contractors to pass along the approved COLAs to their employees.

“Recently, the Auditor-Controller's Office conducted a review of three Department of Health Services (DHS) custodial service contracts with Pedus Building Services (Pedus) which included COLA provisions. Their review noted that in two cases, Pedus failed to bill the County for the COLA, thus depriving its employees of the increased wage to which they were entitled. In the third case (Olive View Medical Center), Pedus billed the County for the COLA but failed to pass it through to most of its employees.”

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Therefore, on motion of Supervisor Yaroslavsky, seconded by Supervisor Antonovich, unanimously carried, the Board took the following actions:

1. Instructed the Director of Health Services, with the assistance of the Director of Internal Services and County Counsel, to require Pedus Building Services (Pedus) to document how it actually used the funds it received under the Cost of Living Adjustments (COLA) provisions of its contract at Olive View Medical Center (e.g., increased wages, supplies or other budget items); and to the extent Pedus is unable to document this, that the Departments be instructed to seek reimbursement from Pedus; and
2. Directed the Chief Administrative Officer to work with County Counsel and the Director of Internal Services to evaluate whether the County COLA contract provisions should be revised to ensure that contract COLAs are passed along to employees working on County contracts.

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